

Senate File 321 - Reprinted

SENATE FILE 321
BY COMMITTEE ON VETERANS
AFFAIRS

(SUCCESSOR TO SSB 1135)

(As Amended and Passed by the Senate March 10, 2021)

A BILL FOR

1 An Act relating to the investment and use of funds in the
2 veterans trust fund.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 12B.10, subsection 6, Code 2021, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *n.* Investments by the veterans trust fund
4 established in section 35A.13.

5 Sec. 2. Section 12B.10C, subsection 4, Code 2021, is amended
6 by adding the following new paragraph:

7 NEW PARAGRAPH. *k.* The veterans trust fund established in
8 section 35A.13.

9 Sec. 3. Section 35A.13, subsection 3, Code 2021, is amended
10 to read as follows:

11 3. Moneys credited to the trust fund shall not be
12 transferred, used, obligated, appropriated, or otherwise
13 encumbered, except as provided in [this section](#). ~~Moneys in the~~
14 ~~trust fund may be used for cash flow purposes during a fiscal~~
15 ~~year provided that any moneys so allocated are returned to the~~
16 ~~trust fund by the end of that fiscal year.~~ Moneys in the trust
17 fund may also be used for cemetery grant development purposes
18 provided that any moneys so allocated, except for moneys used
19 for department of administrative services expenditures related
20 to the grant, are returned to the trust fund upon receipt of
21 federal funds received for such purposes.

22 Sec. 4. Section 35A.13, Code 2021, is amended by adding the
23 following new subsection:

24 NEW SUBSECTION. 3A. *a.* Notwithstanding subsection 4,
25 moneys in the fund, except so much of the fund as may be
26 necessary to be kept on hand for the making of disbursements
27 under this section, shall be invested by the treasurer of
28 state, in consultation with the commission, in any investments
29 authorized for the Iowa public employees' retirement system
30 in section 97B.7A, including common stock, and subject to the
31 requirements of chapters 12F, 12H, and 12J, and the earnings
32 therefrom shall be credited to the fund. The treasurer of
33 state may execute contracts and agreements with investment
34 advisors, consultants, and investment management and benefit
35 consultant firms in the administration of investments of moneys

1 in the fund.

2 *b.* Investment management expenses shall be charged to the
3 investment income of the fund and there is appropriated to the
4 treasurer of state from the investment income of the fund an
5 amount required for the investment management expenses.

6 *c.* For purposes of this subsection, investment management
7 expenses are limited to the following:

8 (1) Fees for investment advisors, consultants, and
9 investment management and benefit consultant firms hired by
10 the treasurer of state in administering the investments of the
11 fund.

12 (2) Fees and costs for safekeeping fund assets.

13 (3) Costs for performance and compliance monitoring, and
14 accounting for fund investments.

15 (4) Any other costs necessary to prudently invest or protect
16 the assets of the fund.

17 *d.* The commission and the treasurer of state, and their
18 employees, are not personally liable for claims based upon an
19 act or omission of the person performed in the discharge of the
20 person's duties concerning the veterans trust fund, except for
21 acts or omissions which involve malicious or wanton misconduct.

22 Sec. 5. Section 35A.13, subsection 4, Code 2021, is amended
23 by striking the subsection and inserting in lieu thereof the
24 following:

25 4. *a.* For each fiscal year that the balance of the trust
26 fund on July 1 is below fifty million dollars, the interest
27 and earnings on moneys in the fund and the first five hundred
28 thousand dollars transferred pursuant to section 99G.39 from
29 the lottery fund are appropriated to the commission to be used
30 to achieve the purposes of subsection 6. Moneys appropriated
31 to the commission under this paragraph that remain unencumbered
32 or unobligated at the end of the fiscal year shall revert to
33 the fund.

34 *b.* For each fiscal year that the balance of the trust fund
35 on July 1 is above fifty million dollars but the balance of the

1 fund was below fifty million dollars on July 1 of the previous
2 fiscal year, moneys transferred pursuant to section 99G.39 from
3 the lottery fund are appropriated to the commission to be used
4 to achieve the purposes of subsection 6. Moneys appropriated
5 to the commission under this paragraph that remain unencumbered
6 or unobligated at the end of the fiscal year shall revert to
7 the fund.

8 *c.* For each fiscal year that the balance of the trust fund
9 on July 1 is above fifty million dollars and the balance of
10 the fund was above fifty million dollars on July 1 of the
11 previous fiscal year, moneys equal to the net income the fund
12 received in the previous fiscal year are appropriated to the
13 commission to be used to achieve the purposes of subsection
14 6. Moneys appropriated to the commission under this paragraph
15 that remain unencumbered or unobligated at the end of the
16 fiscal year shall revert to the fund. For the purposes of this
17 paragraph, "*income*" means moneys credited to the veterans trust
18 fund pursuant to subsection 2 and moneys transferred pursuant
19 to section 99G.39.

20 *d.* Notwithstanding paragraphs "*a*", "*b*", and "*c*", moneys
21 credited to the war orphans educational assistance account
22 shall be expended as provided in subsection 7.